Message Text

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AMEMBASSY LONDON

AMEMBASSY PARIS

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AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL TURIN

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SUBJ: INTERNAL LABOR DISAGREEMENT ON LABOR COST REDUCTION

REF: ROME 3075

1. SUMMARY. A TWO-DAY CONFERENCE OF TOP LABOR LEADERS, CONVENED TO GIVE SUBSTANCE TO DECISIONS REACHED LAST FEBRUARY TO HELP REDUCE LABOR COSTS, RESULTED IN ZERO ACHIEVEMENTS. UNCLASSIFIED

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PROPOSALS TO LIMIT WAGE INCREASES, REVISE SALARY STRUCTURES, AND TO LIMIT SUCH WAGE COST FACTORS AS SEPARATION PAY AND SENIORITY STEP INCREASES, WERE CONTAINED IN THE KEYNOTE DOCUMENT. AGREEMENT TO ADOPT SUCH MEASURES FOUNDERED ON CISL OPPOSITION. THE HIGHLIGHT OF THE CONFERENCE WAS THE SNIPING BETWEEN MARIANETTI AND CARNITI, THE DEPUTY SECRETARIES GENERAL OF, RESPECTIVELY CGIL AND CISL. FURTHER CONSIDERATION OF LABOR COST REDUCTIONS

HAVE BEEN REMANDED TO THE CCU GENERAL COUNCIL MEETING SCHEDULED JUNE 21-22 IN ROME. END SUMMARY.

- 2. SOME 330 REPRESENTATIVES OF THE CONFEDERATION CGIL-CISL-UIL (CCU) AND THEIR CONSITUTENT UNIONS, MET MAY 16-17 AT THE CGIL TRAINING CENTER IN ARICCIA. PURPOSE WAS TO GIVE SUBSTANCE TO THE CCU DECISION, REACHED LAST FEBRUARY (THE SO-CALLED EUR AGREEMENT; SEE REFTEL). TO COOPERATE IN REDUCING LABOR COSTS.
- 3. THE KEYNOTE ADDRESS, DELIVERED BY UIL NATIONAL SECRETARY RUGGERO RAVENNA (PSI), PROPOSED UNSPECIFIED LIMITATIONS ON WAGE/SALARY DEMANDS. THE DEBATE CENTERED ON LIMITING THESE DEMANDS TO EITHER PRODUCTIVITY INCREASES OR TO INCREASES IN THE COST OF LIVING, OR SOME COMBINATION OF THE TWO. RAVENNA ALSO PROPOSED A CEILING OF TEN YEARS ON AUTOMATIC ANNUAL SENIORITY STEP INCREASES; PHASED REDUCTIONS IN THE AMOUNT OF SEPARATION PAY; A REVERSAL OF THE TREND TOWARD FLATTENING OUT WAGE LEVEL DISTINCTIONS; THE ELIMINATON OF SPECIAL ECONOMIC PRIVILEGES FOR SALARIED EMPLOYEES; A CEILING OF 13 OR 14 MONTHS ON WAGE BONUSES (VACATION PAY IS RECKONED AS 13TH MONTH; CHIRSTMAS PAY AS A 14TH MONTH, AND SO ON); AND AGREEMENT TO ALLOW PART-TIME WORK BY STUDENTS AND THE ELDERLY, HERETOFORE OPPOSED BY THE UNIONS.
- 4. THE RAVENNA REPORT HAD THE ENTHUSIASTIC SUPPORT OF THE CGIL, AND TO A LESS VOCAL EXTENT, THE UIL. STRONGEST OF ALL IN OP-UNCLASSIFIED

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POSITION WAS CISL DEPUTY SECRETARY GENERAL PIERRE CARNITI. HE OBJECTED TO "IMPOSING SOLUTIONS FROM ABOVE", AND THEREBY LOSING CREDIBILITY WITH THE WORKERS WHEN THE INDIVIDUAL UNIONS, IN RENEGOTIATING THEIR CONTRACTS, WILL PROBABLY IGNORE WHATEVER LIMITATIONS TOP LABOR LEADERSHIP HAS DECREED. THIS LED REPORTEDLY (THE TWO-DAY SESSION WAS CLOSED) TO A LIVELY EXCHANGE BETWEEN CARNITI AND HIS CGIL COUNTERPART, AGOSTINO MARIANETTI(PSI).

- 5. WHILE CARNITI STILL HELD THE FLOOR, MARIANETTI INTERRUPTED TO DESCRIBE AS "PANNELLIAN" (A REFERENCE TO RADICAL PARTY LEADER MARCO PANNELLA, ITALY'S LEADING SCOLD) THOSE "WHO HOLLER FOR THE VIGILANTES WHENEVER THERE IS ANY TALK OF DEMOCRACTIC COORDINATION". MARIANETTI WENT ON TO WARN THAT, UNLESS THE CONFERENCE DECIDED THE ISSUES, OTHER (I.E., THE GOVERNMENT) WOULD DECIDE FOR LABOR. THE CORRECT PROCEDURE," MARIANETTI CONCLUDED," IS FOR A GROUP OF LEADERS TO COME TO A DECISION AND PRESENT THE MAJORITY CONCLUSIONS TO THE WORKERS, AND SURELY NOT THE CONTRARY."

 TO THIS,CARNITI IS QUOTED AS REPLYING: "THIS METHOD MAY BE LIKED BY THE COMMUNISTS OR BY THOSE WHO BELIEVE IN THE BUREAUCRATIC CONTROL OF THE UNIONS. IT CANNOT BE ACCEPTED BY THE CISL.
- 6. THE ROLE OF MEDIATOR WAS PLAYED BY UIL NATIONAL SECRETARY

RAFFELE VANNI(PRI). HE WARNED THAT INSUFFICIENT SELF-DISCIPLINE ON THE PART OF THE UNIONS WOULD "ENABLE THE EMPLOYERS TO HAVE FUN NEGOTIATING ON THE BASIS OF OUR INTERNAL DIVISIONS."

- 7. THE DEBATE ON LABOR COSTS WILL RESUME AT THE CCU GENERAL COUNCIL MEETING TO BE HELD IN ROME JUNE 21-22.
- 8. COMMENT: THE INTERNAL DIVISIONS ARE MANIFEST, AND SHARPLY OUTLINED. QUITE EVIDENTLY, CARNITI AND THE CISL IN GENERAL ARE THOROUGHLY TIRED OF PLAYING A ROLE AS PART OF THE CGIL ENTOURAGE. THEY ARE DETERMINED TO RE-ESTABLISH A DISTINCT IDENTITY--ALL THIS, OBVIOUSLY, TO THE DETRIMENT OF "LABOR UNITY" AND THE COHESION OF THE CCU. IT IS TRUE THAT THE PROPOSALS ARTICULATED BY RAVENNA AND STRONGLY SUPPORTED BY THE CGIL ARE SENSIBLE AND UNCLASSIFIED

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BADLY NEEDED BY THE ITALIAN ECONOMY. IT IS PROBABLY EQUALLY TRUE, AS CARNITI ASSERTS, THAT UNLESS THE INDIVIDUAL UNIONS CAN BE BROUGHT ALONG TO AGREE WITH THEM AS PART OF THE DECISION MAKING PROCESS, THEY WILL BE HONORED IN THE BREACH. THE CHANCES FOR GETTING SUCH AGREEMENT FROM THE CONSTITUENT UNIONS ARE UNCERTAIN. THUS IT MAY WELL BE THAT "THE OTHERS"--THE GOVERNMENT--WILL HAVE TO TAKE OVER.GARDNER

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